

**CHAPTER NO. 549**

**SENATE BILL NO. 2682**

**By Clabough**

**Substituted for: House Bill No. 2956**

**By Rinks, McDaniel, Fowlkes, Phelan**

AN ACT To amend Tennessee Code Annotated, Title 55, Chapter 12, Part 1, relative to religious sects or divisions qualifying for self-insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-12-111, is amended by deleting such section in its entirety and substituting instead the following:

55-12-111. (a) Any person in whose name more than twenty-five (25) vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance from the commissioner as provided in subsection (c).

(b) Any recognized religious sect or division having established tenets or teachings and which has been in existence at all times since December 31, 1950 may qualify as a self-insurer by obtaining a certificate of self-insurance from the commissioner as provided in subsection (c) if the department determines that all of the following conditions are met:

(1) Members of the religious sect or division operate more than twenty-five (25) motor vehicles which are registered in this state and are either owned or leased by them;

(2) The members hold a common belief in mutual financial assistance in time of need to the extent that they share in financial obligations of other members who would otherwise be unable to meet their obligations;

(3) The religious sect or division is financially solvent and not subject to any actions in bankruptcy, trusteeship, receivership or any other court proceeding in which the sect or division's financial solvency is in question;

(4) Neither the religious sect or division nor any of its participating members has any judgments arising out of the operation, maintenance or use of a motor vehicle taken against them which have remained unsatisfied for more than thirty (30) days after becoming final; and

(5) There are no other factors which cause the department to believe that the religious sect or division and its members are not of sufficient financial ability to pay judgments taken against them.

(c) The commissioner has the discretion, upon the application of such person or religious sect or division, to issue a certificate of self-insurance when satisfied that such

person or religious sect or division is possessed and will continue to be possessed of an ability to pay any judgments that might be rendered against such person or religious sect or division.


(d) The commissioner may, at any time after the issuance of a certificate of self-insurance, cancel the same by giving thirty (30) days' written notice of cancellation should there be reason to believe that the person or religious sect or division to whom such certificate was issued is no longer qualified as a self-insurer under this section.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: March 25, 2002**



JOHN S. WILDER  
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 3<sup>rd</sup> day of April 2002**



DON SUNDQUIST, GOVERNOR